GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3263
ANSWERED ON:12.05.2006
SBI HOME LOAN
Deora Shri Milind Murli

Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank, of India has increased the home loan rates by 50 to 75 basis points across maturities;

(b) if so, the additional revenue likely to be generated by the Bank in a year;

(c) whether SBI has decided not to offer fixed rate loans for tenures exceeding ten years; and

(d) if so, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): As reported by State Baak. of India (SBI) it has increased home loan interest rates in respect of loans sanctioned with effect from 1st May, 2006 in the range of 25 to 50 basis points only.

(b): An additional revenue of Rs.l 15 crore has been estimated by SBI on account of the increase in home loan kit crest rates.

(c) & (d): To mitigate the asset-liabili ties mis-match, in view of the long tenure of home loan, SBI has extended fixed rates of interest only for the tenure upto 10 years with effect from 1 st March, 2006.